

STATE OF TENNESSEE

Office of the Attorney General



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Reply to:  
Consumer Advocate and Protection Division  
Post Office Box 20207  
Nashville, TN 37202

July 28, 2003

Honorable Deborah Taylor Tate  
Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

**RE: IN RE: PETITION OF CHATTANOOGA GAS CO., NASHVILLE GAS CO.,  
A DIVISION OF PIEDMONT NATURAL GAS CO., INC. AND UNITED CITIES  
GAS CO., A DIVISION OF ATMOS ENERGY CORP. FOR A DECLARATORY  
RULING REGARDING THE COLLECTIBILITY OF THE GAS COST  
PORTION OF UNCOLLECTABLE ACCOUNTS UNDER THE PURCHASE GAS  
ADJUSTMENT ("PGA") RULES. Docket No. 03-00209**

Dear Chairman Tate:

Enclosed is an original and thirteen copies of the Consumer Advocate and Protection Division's Discovery Request to Chattanooga Gas Company. Kindly file same in this docket. Copies are being sent to all parties of record. If you have any questions, kindly contact me at (615) 532-3382. Thank you.

Sincerely,

*Shilina Chatterjee* / *By*  
SHILINA CHATTERJEE  
Assistant Attorney General

Enclosures

cc: All Parties of Record

#66649

**IN THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE:**

**DISCOVERY REQUEST BY THE  
CONSUMER ADVOCATE & PROTECTION  
DIVISION UPON CHATTANOOGA GAS  
COMPANY, NASHVILLE GAS COMPANY, A  
DIVISION OF PIEDMONT NATURAL GAS  
COMPANY, INC., AND UNITED CITIES GAS  
COMPANY, A DIVISION OF ATMOS  
ENERGY CORPORATION (collectively,  
"PETITIONERS")**

**DOCKET NO. 03-00209**

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**CONSUMER ADVOCATE & PROTECTION DIVISION OF THE OFFICE OF THE  
ATTORNEY GENERALS' DISCOVERY REQUEST**

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To: Joe A. Conner, Esq.  
Baker, Donelson, Bearman & Caldwell  
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D. Billye Sanders, Esq.  
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511 Union Street, Suite 2100  
Nashville, Tennessee 37219-1760

James H. Jeffries IV, Esq.  
Jerry W. Amos, Esq.  
Nelson, Mullins, Riley & Scarborough, L.L.P.  
Bank of America Corporate Center, Suite 2400  
100 North Tryon Street  
Charlotte, North Carolina 28202-4000

The Interrogatories are hereby served upon Chattanooga Gas Company, Nashville Gas Company, A Division of Piedmont Natural Gas Company, Inc., and United Cities Gas Company, A Division of Atmos Energy Corporation (hereinafter collectively "Petitioners"), pursuant to Rules 26, 33 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg 1220-1-2-.11. We request that full and complete responses be provided, by each Petitioner separately, under oath, pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate & Protection Division, 425 Fifth Avenue North, Nashville, Tennessee 37243, c/o Shilina B. Chatterjee by August 14, 2003 pursuant to the Notice of Procedural Schedule issued on July 2, 2003.

#### **PRELIMINARY MATTERS AND DEFINITIONS**

Each Interrogatory and Request to Produce calls for all knowledge, information and material available to Petitioners, as a party, whether it be Petitioners', in particular, or knowledge, information or material possessed or available to Petitioners' attorney or other representative.

These Interrogatories and Requests to Produce are to be considered continuing in nature, and are to be supplemented from time to time as information is received by Petitioners which would make a prior response inaccurate, incomplete, or incorrect. In addition, the Attorney General requests that Petitioner supplement responses hereto with respect to any question directly addressed to the identity and location of persons having knowledge of discoverable matters, and the identity of each person expected to be called as an expert at hearing, the subject matter on which the expert is expected to testify, and the substance of the expert's testimony.

For purposes of these Interrogatories and Requests to Produce, the term “you” shall mean and include: Chattanooga Gas Company (“Chattanooga Gas”), Nashville Gas Company, A Division of Piedmont Natural Gas Company, Inc. (“Nashville Gas”), and United Cities Gas Company (“United Cities Gas”), A Division of Atmos Energy Corporation and all employees, agents and representatives thereof.

The term “person” or “persons” as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever. Where a company or organization is the party being served, all responses must include the company’s response. Moreover, the company’s designated person for responding must assure that the company provides complete answers. *A complete answer must provide a response which includes all matters known or reasonably available to the company.*

The term “identity” and “identify” as used herein, with respect to any person, means to provide their name, date of birth, current residence address, current residence telephone number, current business address, current business telephone number, and the occupation or job title of that person; with respect to an entity, those terms mean to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by that entity; with respect to any document, those terms mean to provide the date of the document, the nature of the document, and the title (if any) of the document.

The term “document” as used herein, means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded in any manner, however produced or reproduced, including but not limited to

any writing, drawing, graph, chart, form, photograph, tape recording, computer disk or record, or other data compilation in any form without limitation. Produce the original and each copy, regardless of origin or location, of any book, pamphlet, periodical, letter, note, report, memorandum (including memoranda, note or report of a meeting or conversation), spreadsheet, photograph, videotape, audio tape, computer disk, e-mail, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was, but is no longer, in your possession, custody, or control. If any such document or thing was, but no longer is, in your possession or control, state what disposition was made of it and when.

If you produce documents in response to these Interrogatories, produce the original of each document or, in the alternative, identify the location of the original document. If the "original" document is itself a copy, that copy should be produced as the original.

If any objections are raised on the basis of privilege or immunity, include in your response, a complete explanation concerning the privilege asserted.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

If any of the interrogatories are not answered on the basis of privilege or immunity, include in your response to each such interrogatory a written statement evidencing:

- (a) the nature of the communication;
- (b) the date of the communication;
- (c) the identity of the persons present at such communication; and
- (d) a brief description of the communication sufficient to allow the Court to rule

on a motion to compel.

If, for any reason, you are unable to answer a discovery request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested. If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

If any information requested is not furnished as requested, state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy), each version shall be treated as a different document and each must be identified and produced.

These discovery requests are to be interpreted broadly to fulfill the benefit of full discovery. To assist you in providing full and complete discovery, Petitioner provides the following definitional guidelines.

The terms “and” and “or” shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

The term “communication” means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

## **DISCOVERY REQUEST**

### **INTERROGATORIES AND REQUESTS TO PRODUCE**

#### **DISCOVERY REQUEST NO. 1:**

Provide all information related to monthly forfeited discounts, uncollectible revenues and net write-offs from the beginning of the attrition year in the company's last rate proceeding through the latest month for which this information is currently available.

#### **DISCOVERY REQUEST NO. 2:**

Provide monthly expenses recorded in Account 903 (Customer Records and Collection Expenses) listed by subaccount detail, by year from the beginning of the attrition year in the company's last rate proceeding through the latest month for which this information is currently available.

#### **DISCOVERY REQUEST NO. 3:**

Provide the number of SONP's (Shut-Off Due to Non-Payment) by month and by year from the beginning of the attrition year in the company's last rate proceeding through the latest month for which this information is currently available.

#### **DISCOVERY REQUEST NO. 4:**

Provide the amount of past due/delinquent accounts that have been collected by collectors, including outside collection agents and/or company personnel, by month, from the beginning of the attrition year in the company's last rate proceeding through the latest month for which this information is currently available. Provide detail by company personnel or collection agents.

**DISCOVERY REQUEST NO. 5:**

Provide the number of employees detailed by job function charged to credit and collections, meter reading, customer service, call center or other customer contact positions (list by month and from the beginning of the attrition year in the company's last rate proceeding through the latest month for which this information is currently available). List by job title, by month and by year.

**DISCOVERY REQUEST NO. 6:**

After how many days is a past due/delinquent account deemed uncollectible?

**DISCOVERY REQUEST NO. 7:**

Provide the payroll expense for all employee positions charged to Account 903. Identify these positions by job title, by month and by year from the beginning of the attrition year in the company's last rate proceeding through the latest month for which this information is currently available.

**DISCOVERY REQUEST NO. 8:**

Identify and describe all policies and procedures used in billing, collecting and writing off of uncollectible accounts as of the test year in the latest rate case and as of 7/1/2003. Include a time line and description of the entire collection process, including, but not confined to, meter reading, billing payments, due date, cut-off notice date, cut-off date, collection processes, date referred to collection, collection costs, write-offs, etc. In addition, describe the company's policies and procedures for use of outside collection agents, including, but not confined to, the number of days that a past due/delinquent account is outstanding before referral to outside collection agents as well as fee arrangements with collection agents.



**DISCOVERY REQUEST NO. 9:**

Provide a narrative or other summary of the potential impact of any changes on bad debts expense since the company's last rate case.

**DISCOVERY REQUEST NO. 10:**

List and explain all factors which may have caused a change in bad debts expense since the beginning of the attrition year in the company's last rate proceeding through the latest month for which this information is currently available.

**DISCOVERY REQUEST NO. 11:**

Describe in detail the total amount of capital required to "carry" the accounts receivable balances associated with customers that pay after the due date (date when the late payment charge is added to the billed balance):

- a) using the latest available year, and
- b) using the test year from the latest rate case.

**DISCOVERY REQUEST NO. 12:**

What is the current cost of short term debt for your company?

**DISCOVERY REQUEST NO. 13:**

For accounts that are collected after the due date, provide the average number of days that the account is outstanding before it is collected for the test year from the last rate case and latest available year.

**DISCOVERY REQUEST NO. 14:**

For accounts that are collected after the due date, provide the average balance outstanding, excluding late charges, for the test year from the last rate case and latest available

year.

**DISCOVERY REQUEST NO. 15:**

Provide the revenue lag (in days) as of the test year in the company's last rate proceeding and the latest available revenue lag.

**DISCOVERY REQUEST NO. 16:**

Provide the uncollectibles expense lag (in days) as of the test year in the company's last rate proceeding and the latest available uncollectibles expense lag.

**DISCOVERY REQUEST NO. 17:**

Provide the purchase gas expense lag (in days) as of the test year in the company's last rate proceeding and the latest available purchase gas expense lag.

**DISCOVERY REQUEST NO. 18:**

Identify each person whom you expect to call as an expert witness at any hearing in this docket, and for each such expert witness:

- (a) identify the field in which the witness is to be offered as an expert;
- (b) provide complete background information, including the expert's current employer as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify, and identify all publications written or presentations presented in whole or in part by the witness;
- (c) provide the grounds (including without limitation any factual basis) for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;
- (d) identify any matter in which the expert has testified (through deposition or otherwise) by specifying the

name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;

- (e) identify for each such expert any person whom the expert consulted or otherwise communicated with in connection with his expected testimony;
- (f) identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;
- (g) identify all documents or things shown to, delivered to, received from, relied upon, or prepared by any expert witness, which are related to the witness(es)' expected testimony in this case, whether or not such documents are supportive of such testimony, including without limitation all documents or things provided to that expert for review in connection with testimony and opinions; and
- (h) identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert.

**DISCOVERY REQUEST NO. 19:**

Identify and produce copies of any and all documents referred to or relied upon in responding to CAPD's discovery requests.

**DISCOVERY REQUEST NO. 20:**

Identify and produce all material provided to, reviewed by or produced by any expert or consultant retained by Petitioners' to testify or to provide information from which another expert will testify concerning this case.

**DISCOVERY REQUEST NO. 21:**

Identify and produce all work papers of Petitioners' proposed experts, including but not limited to file notes, chart notes, tests, test results, interview and/or consult notes and all other file documentation that any of Petitioners' expert witnesses in any way used, created, generated or consulted by any of Petitioners' expert witnesses in connection with the evaluation, conclusions and opinion in this matter.

**DISCOVERY REQUEST NO. 22:**

Identify and produce a copy of all trade articles, journals, treatises and publications of any kind in any way utilized or relied upon by any of Petitioners' proposed expert witnesses in evaluating, reaching conclusions or formulating an opinion in this matter.

**DISCOVERY REQUEST NO. 23:**

Identify and produce a copy of all documents which relate or pertain to any factual information provided to, gathered by, utilized or relied upon by any of Petitioners' proposed expert witnesses in evaluating, reaching conclusions or formulating an opinion in this matter.

**DISCOVERY REQUEST NO. 24:**

Identify and produce a copy of all articles, journals, books or speeches written by or co-written by any of Petitioners' expert witnesses, whether published or not.

RESPECTFULLY SUBMITTED,

*Shilina B. Chatterjee*

SHILINA B. CHATTERJEE, B.P.R. #20689

Assistant Attorney General

Office of the Attorney General

Consumer Advocate and Protection Division

P.O. Box 20207

Nashville, Tennessee 37202

(615) 532-3382

By  
*[Signature]*

Dated: July 28, 2003

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## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served via hand delivery or facsimile on July 28, 2003

For Chattanooga Gas:

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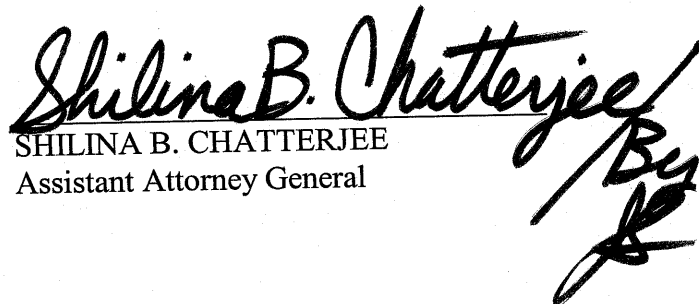
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For United Cities Gas:

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